

December 16, 2005

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State Farm Insurance
Ms. Lisa Watcher
1909 East Pass Rd.
Gulfport, MS 39507

Re: Hurricane Damage Assessment Investigation
Insured: Minh Nguyen
Date of Loss: 8-29-2005
SF Claim No. 24-2451-170/24-CC-2102-7
FAEC Case No. 530-0091-05-25

Dear Ms. Watcher:

Please allow this letter to address the concerns raised by the client, State Farm Insurance Co. concerning the FAEC conclusions in the above referenced case.

As I observed the site and spoke with the insured I came to the conclusion that wind was the predominant cause of damage to the structure. The rationalization behind this conclusion was based on a number of issues. While it was obvious that the storm surge affected this immediate area, other factors were also considered in the final opinion:

1. The insured gave important information in our phone conversation. According to our assignment, we were allowed to give eyewitness accounts certain weight.
2. The damage to the area was indicated in photographs. Photograph 3 is of a steel structure estimated to be about 200 yards southeast of the insured's property. The damage observed to this structure was consistent with damage that could be caused by tornado type winds.
3. Photograph 5 is of anchor bolts for the bottom plate of an exterior wall. The anchor bolts along this line are generally deflected in opposing directions which could be considered consistent with damage that could be caused by rotating winds.
4. The damage to the area seems to stop abruptly at a tree line several hundred yards to the northwest of the insured's property. Damage beyond that point appears to be greatly diminished. This is consistent with the possibility of tornado type winds.

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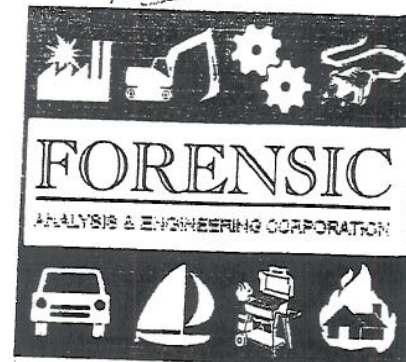
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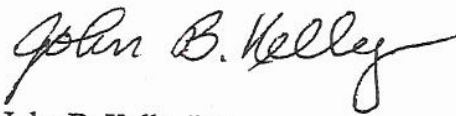
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Lastly, I would add that based on field observations and statements from the insured, both wind and water must have contributed to the destruction of the house. It was my conclusion that while both wind and water contributed to the destruction of the house, it was predominantly wind that caused the initiating and major damage. This was supported, in my opinion, by those observations further elaborated above.

If you require any additional information, please do not hesitate to contact the firm.

Very truly yours,



John B. Kelly, P.E.
Principal Structural Engineer
Phone 228+282-4717

Cc: Home Office, Raleigh, NC
William C. Forbes, P.E., DEE